



## Economic Development Funds Available to Rural Utilities

A program that partners rural utility providers and the USDA to promote economic development will receive a boost in funding for 2005.

The 2005 budget includes \$24.8 million in loan funds and \$10 million in grant funds for the Rural Economic Development Loan and Grant program.

The REDLG funds are available to electric and telephone utilities financed by the Rural Utilities Service of USDA. The utilities re-lend these funds in their service areas to promote economic development.

There are 26 rural utilities in Michigan eligible to participate in the REDLG program. Applicants compete for funding at the national level.

Utilities receiving REDLG loans or grants are required to re-lend, at zero-percent interest, the proceeds to an eligible "third-party recipient" for the purpose of financing job creation projects and sustainable economic development. The utility is ultimately responsible for repayment of REDLG loans

to the USDA.

Eligible loan purposes can include business expansions and business startups, equipment, machinery, land, site development, and working capital. Other uses include community infrastructure, community facilities and services necessary for economic development and job creation purposes. Medical facilities and equipment to provide medical care to rural residents and educational facilities and equipment to provide training and job enhancement skills are also eligible uses as well as business incubator projects to assist in developing emerging enter-



prises.

The regulations for re-lending grant funds and loan funds through the REDLG program differ. Eligible uses for loans made from grant funds are more restrictive than for the loans.

Contact a member of Rural Development's business program for more information on the REDLG program.

### Richfield Township Receives Grant



On Jan. 5, 2005, Richfield Township (Roscommon County) closed on a \$12,950 grant to purchase a new police car. State Director Dale Sherwin presented a ceremonial check to Township Supervisor Florence Osborn.

### Self-Help Housing Participants Sought

Families or individuals willing to invest some hard work have a unique opportunity to own a new home.

Applicants are being sought for Rural Development's Mutual Self-Help housing program. The program allows participants to help with the construction of a new home. They then purchase the home with a Rural Development loan for less than its appraised value.

The program is administered by non-profit organizations with grant funding from Rural Development. The non-profit selects the participants and supervises the construction of a group of new homes. Participants work in groups to complete all of the homes and move in when all of the homes are completed.

Participants in the program must meet income and credit requirements. Construction experience is not required, only a willingness to commit the time and effort necessary to see your home through its construction.

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## Business & Industry Loan Guarantees Expand Capital for Rural Businesses

Lenders have a ready partner when it comes to assisting rural businesses.

Rural Development can insure up to 80 percent of a commercial loan through its Business & Industry Loan

Guarantee program. The purpose of the program is to create economic opportunity by expanding the lending capability of private lenders in rural areas.

B&I loan guarantees can be extended to loans made by recognized commercial or other authorized lenders in rural areas. This includes all areas other than cities of more than 50,000.

Over the past five years Rural Development in Michigan has issued 78 B&I loan guarantees for over \$125 million.

Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refi-

nancing. The primary purpose is to create and maintain employment and improve the economic climate in rural communities.

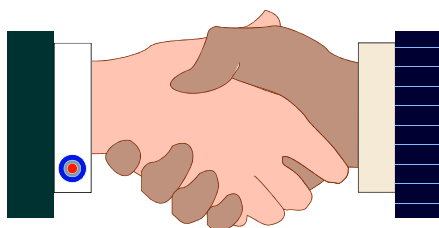
Assistance under the B&I Guaranteed Loan Program is available

to virtually any legally organized entity, including a cooperative, corporation, partnership or other

profit entity, Indian tribe or a Federally recognized tribal group. Applicants need not have been denied credit elsewhere to apply for this program.

The maximum loan amount that can be offered to any one borrower is \$25 million. The program is administered at the state level by Rural Development.

For more information on the B&I loan guarantee program contact the Rural Development state office.



## Funding Available for Rural Broadband

Rural Development is helping make broadband Internet access available in rural communities.

Through its rural utilities program, Rural Development makes loan and grant funds available to promote the expansion of broadband service in rural America.

Funding will be announced during 2005 for both the Broadband Loan program and the Community Connect Grant program.

In Michigan, two communities have benefited from the Broadband Community Connect program. This program provides grant funds for broadband access to rural communities where the service is not available.

Rural Development's broadband loan program provides low-interest loans to broadband providers. The loans must be used to extend service to rural communities with populations under 20,000.

These loans and grants can be used to provide broadband access either through cable or by wireless transmission. Cable television providers who want to upgrade their service to provide broadband are also eligible for these programs.

Both the loan and grant programs are funded at the national level. Interested parties can submit an application once a notice of funding availability has been issued.

For more information contact Don Couzens at (517) 676-9031.

## Self-Help Program Accepting Applicants

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The home site locations are selected by the organization. Anyone wanting to participate in the program should apply directly to the non-profit organization. They include:

### West Michigan Independent Self-Help Housing

18042 North Shore Drive  
Spring Lake, MI 49456  
Phone (616) 842-0919

### Northeast Michigan Affordable Housing

3022 US-23 S., Suite E  
Alpena, MI 49707  
Phone (989) 356-9090

### Northwest Michigan Affordable Housing Forum

P.O. Box 225  
Alden, MI 49612  
Phone (231) 331-4133

Contact *Rural Development News*  
at (517) 324-5190 or by e-mail at  
[traci.smith@mi.usda.gov](mailto:traci.smith@mi.usda.gov)



Rural Development is an Equal Opportunity Lender, Provider and Employer.

Complaints of discrimination should be sent to:

USDA, Director, Office of Civil Rights, Washington D.C. 20250-9410.

